UOB Group

Strong Fundamentals with Record Earnings, Managing Risks for Stable Growth

August 2014

Disclaimer: This material that follows is a presentation of general background information about the Bank’s activities current at the date of the presentation. It is information given in summary form and does not purport to be complete. It is not to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. This material should be considered with professional advice when deciding if an investment is appropriate. UOB Bank accepts no liability whatsoever with respect to the use of this document or its content.

Singapore Company Reg No. 193500026Z
Agenda

1. Overview of UOB Group
2. Macroeconomic Outlook
3. Strong UOB Fundamentals
4. Our Growth Drivers
5. Latest Financials
UOB Overview

**Founding**

Founded in August 1935 by a group of Chinese businessmen and Datuk Wee Kheng Chiang, grandfather of the present UOB Group CEO, Mr. Wee Ee Cheong

**Expansion**

UOB has grown over the decades through organic means and a series of acquisitions. It is today a leading bank in Singapore with an established presence in the ASEAN region. The Group has an international network of over 500 offices in 19 countries and territories.

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**Key Statistics**

- Total assets: SGD297.0b (USD237.9b)
- Shareholder’s equity: SGD28.1b (USD22.5b)
- Gross loans: SGD193.1b (USD154.7b)
- Customer deposits: SGD216.1b (USD173.1b)
- Common Equity Tier 1 CAR: 13.9%
- Tier 1 CAR: 13.9%
- Total CAR: 17.8%
- ROA: 1.10%
- ROE: 12.4%
- NIM: 1.72%
- Non-interest/Total income: 38.6%
- NPL ratio: 1.2%
- Loans/Deposits ratio: 87.8%
- Cost / Income: 42.4%

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**Issuer Rating (Senior Unsecured)**

- Moody’s: Aa1
- S&P: AA-
- Fitch: AA-

**Outlook**

- Moody’s: Stable
- S&P: Stable
- Fitch: Stable

**Short Term Debt**

- Moody’s: P-1
- S&P: A-1+
- Fitch: F1+

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Note: Financial statistics as at 30 June 2014.

1. FX rate used: USD 1 = SGD 1.24835 as at 30 June 2014.
2. With effect from 1 January 2013, the Group adopted Basel III framework for its capital adequacy ratio computation in accordance with the revised Monetary Authority of Singapore Notice 637.
3. Calculated based on profit attributable to equity holders of the Bank net of preference share dividend and capital securities distributions.
Leading Singapore Bank With Established Franchise In Core Market Segments

- Best Retail Bank in Singapore
- Strong player in credit cards and private residential home loan business

- Best SME Banking
- Seamless access to regional network for our corporate clients

- Strong player in Singapore dollar treasury instruments
- UOB Asset Management is one of Singapore’s most awarded fund managers

UOB Group’s recognition in the industry

| Source: Company reports. Notes: |
| 1. The Asian Banker Excellence in Retail Financial Services International Awards 2011 (Retail and SME Banking), 2012 & 2014 (Retail Banking). |
| 2. The Edge Lipper – Singapore Fund Awards. |

Operating Income

- Group Retail: 40%
- Group Wholesale: 13%
- GMIM: 7%
- Others: 40%

Profit before tax

- Group Retail: 33%
- Group Wholesale: 57%
- GMIM: 13%
- Others: -58%

Note: ‘Others’ include corporate overheads, cost sectors and contributions from associated companies, etc.
Proven Track Record Of Execution

- UOB Group’s management has demonstrated strong track record in steering the Group through various global events and crises. Achieved record NPAT of SGD3,008 million in 2013
- Stability of management team ensures consistent execution of strategies
- Disciplined management style which underpins the Group’s overall resilience and sustained performance

Expanding Regional Banking Franchise

**Extensive Regional Footprint with 500+ Offices**

- **THAILAND** 157 offices
- **MALAYSIA** 47 offices
- **SINGAPORE** 77 offices
- **VIETNAM** 1 office + c.20% in Southern Commercial Joint Stock Bank
- **INDONESIA** 211 offices

**Profit before Tax and Intangibles by Region** (SGD m)

- **GREENER CHINA**
  - 24 offices + c.14% in Evergrowing Bank
- **THAILAND**
- **MALAYSIA**
- **SINGAPORE**
- **VIETNAM**
- **INDONESIA**

- **31% of Group PBT**
- **38% of Group PBT**

- **2009**
  - Singapore: 1,594
  - Malaysia: 139
  - Thailand: 81
  - Indonesia: 153
  - Others: 271

- **2010**
  - Singapore: 1,996
  - Malaysia: 175
  - Thailand: 395
  - Indonesia: 450
  - Others: 78

- **2011**
  - Singapore: 1,840
  - Malaysia: 105
  - Thailand: 147
  - Indonesia: 87
  - Others: 151

- **2012**
  - Singapore: 2,256
  - Malaysia: 180
  - Thailand: 157
  - Indonesia: 50
  - Others: 184

- **2013**
  - Singapore: 2,181
  - Malaysia: 21
  - Thailand: 222
  - Indonesia: 180
  - Others: 178

- **2014 1H**
  - Singapore: 272
  - Malaysia: 73
  - Thailand: 1,147
  - Indonesia: 129
  - Others: 40

- Source: Company reports.
- Note: Profit before tax and intangibles excluded gain on UOB Life and UIC for 2010.

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**Established regional network with key South East Asian pillars, supporting fast-growing trade, capital and wealth flows**

- Most diverse regional franchise among Singaporean banks; effectively full control of regional subsidiaries
- Integrated regional platform improves operational efficiencies, enhances risk management and provides faster time-to-market and seamless customer service
- Simultaneous organic and inorganic growth strategy in emerging/new markets of China and Vietnam
- Aim for region to contribute 40% of Group’s PBT in medium term
Singapore to Grow 3.5% in 2014, Amidst Current Economic Restructuring

- Singapore’s electronics manufacturing sector expected to face considerable headwinds in 2014, although transport engineering, chemicals and biomedical manufacturing sectors are likely to do well. Services sector to remain robust, although growth may be slower than 2013.

- 2014 GDP forecast to grow 3.5% (2013: 3.9%), as the recent pick-up in externally-oriented industries (manufacturing, wholesale trade, transport & storage) fell short of expectations, while a higher base in 2H 2013 will show up as slower growth in 2H this year.

- Core inflation for 2014 likely to edge higher to 2.4% (2013: 1.7%) as cost-pushed inflation from higher wages and industrial costs passes through to consumer prices.

- Labour market will remain tight with unemployment rate averaging around 2%.

Source: UOB Economic-Treasury Research

Core Inflation Trending Higher Due To Labour Costs

Economy To Grow 3.5% In 2014

Source: Singapore Department of Statistics
Resilient Key Markets: Not a Repeat of the Asian Financial Crisis

- The key Southeast Asian markets’ long-term growth and economic prospects remain stable despite recent market volatilities
- Compared to 1997, they have:
  - Significantly higher levels of foreign reserves
  - Healthier current account and balance of payment positions
  - Lower levels of corporate leverage
  - Lower levels of foreign currency debts
  - Policy makers have proactively come up with measures to manage rising consumer leverage

Asian Corporates: Total Debt to Equity Ratio

- End-Dec 2013
- End-June 1998

Note: Total debt to equity ratio = sum of total ST and LT borrowings divided by total equity, multiplied by 100

Sources: MSCI data from Bloomberg, UOB Economic-Treasury Research

Asian Foreign Reserves

(USD billion)

- 2013
- 1998

Current Account as % of GDP

(% of GDP)

Foreign Currency Loans as % of Total Loans

(% of total loans)

Sources: CEIC, Monetary Authority of Singapore, Bangko Sentral ng Pilipinas
SEA Banking Sector: Strong Fundamentals Remain Intact

Key Banking Trends

- There has been a resurgence in loan demand after the deleveraging of ASEAN banks during the Global Financial Crisis
  - Singapore banks have stable loan-to-deposit ratios and healthy loan growth.
- ASEAN banks have healthy capital and funding levels
  - Singapore banks enjoy one of the highest capital ratios in the region
  - As solvency is not generally an issue in ASEAN, focus would be on putting the excess capital to productive uses
- For China, interest rate is liberalised as the lending rate floor was removed in July 2013. The removal of deposit rate cap is seen as the next step towards complete interest rate liberalization

Higher NIM, Lower Credit Penetration in Region

(Net interest margin and total loans / GDP, in %)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Indonesia</td>
<td>4.9</td>
<td>4.5</td>
<td>103%</td>
</tr>
<tr>
<td>Thailand</td>
<td>2.8</td>
<td>2.9</td>
<td>2.3</td>
</tr>
<tr>
<td>China</td>
<td>2.3</td>
<td>2.2</td>
<td>126%</td>
</tr>
<tr>
<td>Malaysia</td>
<td>2.1</td>
<td>1.9</td>
<td>125%</td>
</tr>
<tr>
<td>Singapore</td>
<td>1.5</td>
<td>1.5</td>
<td>158%</td>
</tr>
</tbody>
</table>

Source: Research estimates, Monetary Authority of Singapore, PBOC

Robust Capital Positions

(Tier 1 CAR, in %)

<table>
<thead>
<tr>
<th>Country</th>
<th>2012A</th>
<th>2013A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Singapore</td>
<td>14.9</td>
<td>13.8</td>
</tr>
<tr>
<td>Indonesia</td>
<td>14.6</td>
<td>14.6</td>
</tr>
<tr>
<td>Malaysia</td>
<td>13.9</td>
<td>13.0</td>
</tr>
<tr>
<td>Thailand</td>
<td>10.9</td>
<td>11.9</td>
</tr>
<tr>
<td>China</td>
<td>10.3</td>
<td>9.9</td>
</tr>
</tbody>
</table>

Source: Broker reports, Bank Negara Malaysia

Stable Funding – Adequate Loan-to-Deposit Ratios

(Loan-to-deposit ratio, in %)

<table>
<thead>
<tr>
<th>Country</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Singapore</td>
<td>95.0</td>
<td>107.0</td>
</tr>
<tr>
<td>Thailand</td>
<td>109.0</td>
<td>109.0</td>
</tr>
<tr>
<td>Indonesia</td>
<td>87.0</td>
<td>93.0</td>
</tr>
<tr>
<td>Malaysia</td>
<td>79.2</td>
<td>80.0</td>
</tr>
<tr>
<td>China</td>
<td>65.3</td>
<td>66.1</td>
</tr>
</tbody>
</table>

Source: Economist Intelligence Unit, broker reports, CEIC Data
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UOB is focused on the basics of banking; Stable management team with proven execution capabilities
Diversified Loan Portfolio

Gross Customer Loans by Geography

- Singapore: 65%
- Malaysia: 14%
- Thailand: 7%
- Indonesia: 6%
- Greater China: 3%
- Others: 5%

Gross Customer Loans by Currency

- SGD: 55%
- USD: 16%
- MYR: 13%
- THB: 13%
- IDR: 5%
- Others: 2%

Gross Customer Loans by Maturity

- <1 year: 35%
- 1-3 years: 34%
- 3-5 years: 11%
- >5 years: 20%

Gross Customer Loans by Industry

- Transport, storage & communication: 27%
- Building & Construction: 13%
- Manufacturing: 9%
- Financial Institutions: 16%
- General Commerce: 13%
- Professionals and private individuals: 13%
- Housing Loans: 13%
- Others: 13%

Note: Financial statistics as at 30 June 2014.
UOB’s competitiveness enhanced by prudent management and strong financials

Bank Financial Strength

Efficient Cost Management

Competitive ROA

Well-Maintained Liquidity

Source: Company reports, Credit rating agencies.
Financials as of 30 June 2014, except CIMB and Maybank (as of 31 March 2014). Figures for BCA and Bangkok Bank include bank only.
(1) ROA calculated on an annualised basis
**Strong Capitalisation Levels and Low Leverage**

### Capitalisation Levels

<table>
<thead>
<tr>
<th>Bank</th>
<th>Tier 1 CAR (%)</th>
<th>Common Equity Tier 1 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>UOB</td>
<td>17.8</td>
<td>13.9</td>
</tr>
<tr>
<td>OCBC</td>
<td>17.4</td>
<td>14.7</td>
</tr>
<tr>
<td>SCB</td>
<td>17.3</td>
<td>11.8</td>
</tr>
<tr>
<td>Bangkok Bk</td>
<td>17.2</td>
<td>14.8</td>
</tr>
<tr>
<td>BCA</td>
<td>17.0</td>
<td>16.1</td>
</tr>
<tr>
<td>DBS</td>
<td>15.7</td>
<td>13.5</td>
</tr>
<tr>
<td>HSBC</td>
<td>15.4</td>
<td>12.3</td>
</tr>
<tr>
<td>BOA</td>
<td>15.3</td>
<td>12.0</td>
</tr>
<tr>
<td>MayBank</td>
<td>14.8</td>
<td>11.3</td>
</tr>
<tr>
<td>CIMB</td>
<td>11.1</td>
<td>9.6</td>
</tr>
<tr>
<td>Citi</td>
<td>12.8</td>
<td>11.4</td>
</tr>
<tr>
<td>JPM</td>
<td>12.4</td>
<td>12.4</td>
</tr>
</tbody>
</table>

- **Capital raised in last 2 years (US$ bn)**: BCA 0.6, BOA 1.0, MayBank 1.2, CIMB 0.1, Citi 8.0, JPM 12.4
- **Return on Equity**: UOB 12.4%, OCBC 14.9%, SCB 10.4%, Bangkok Bk 11.9%, BCA 24.6%, DBS 11.7%, HSBC 10.7%, BOA 1.4%, MayBank 13.8%, CIMB 13.0%, Citi 9.3%, JPM 11.0%

### Leverage

<table>
<thead>
<tr>
<th>Bank</th>
<th>Leverage (no. of times)</th>
</tr>
</thead>
<tbody>
<tr>
<td>BCA</td>
<td>7.5x</td>
</tr>
<tr>
<td>Bangkok Bank</td>
<td>8.1x</td>
</tr>
<tr>
<td>Citi</td>
<td>9.6x</td>
</tr>
<tr>
<td>BOA</td>
<td>10.0x</td>
</tr>
<tr>
<td>JPM</td>
<td>12.1x</td>
</tr>
<tr>
<td>DBS</td>
<td>12.5x</td>
</tr>
<tr>
<td>UOB</td>
<td>12.8x</td>
</tr>
<tr>
<td>MayBank</td>
<td>13.1x</td>
</tr>
<tr>
<td>OCBC</td>
<td>13.9x</td>
</tr>
<tr>
<td>CIMB</td>
<td>14.0x</td>
</tr>
<tr>
<td>HSBC</td>
<td>14.3x</td>
</tr>
<tr>
<td>SCB</td>
<td>16.1x</td>
</tr>
</tbody>
</table>

Source: Company reports

Note: Financials as of 30 June 2014, except for CIMB and MayBank (as of 31 March 2014). Figures for BCA and Bangkok Bank include bank only.

2. ‘2 years’ refer to period from 30 June 2012 to 30 June 2014. Includes Tier 1 capital only. Includes capital raised for subsidiaries.
3. Calculated on an annualized basis.
4. Leverage is calculated as total tangible assets / total tangible common equity from latest company reports.

**UOB is one of the most well-capitalized banks with lower gearing compared to some of the most renowned banks globally**
Strong Investment Grade Credit Ratings

Moody's

Aa1 / Stable / P-1

- ‘Strong and valuable business franchise’
- ‘Long experience in serving SME segment should enable it to maintain its customer base.’
- ‘Ability to keep its asset quality measures consistently at a good level’

STANDARD &POORS

AA-/Stable/A-1+

- Prudent management team... expect the bank to continue its emphasis on funding and capitalization to buffer against global volatility'
- ‘UOB will maintain its earnings, asset quality and capitalization while pursuing regional growth.’
- ‘Above average funding and strong liquidity position’

FitchRatings

AA- / Stable / F1+

- ‘Ratings reflect its strong domestic franchise, prudent management, robust balance sheet…’
- ‘Stable funding profile and liquid balance sheet…its healthy loan/deposit ratio hovers at 80-85%’
- ‘Key rating strength is UOB’s capital buffer, which had a high core Tier 1 CAR of 13.3% at end 2010’

Debt Issuance History

<table>
<thead>
<tr>
<th>Issue Date</th>
<th>Type of instrument</th>
<th>Structure</th>
<th>Call</th>
<th>Coupon</th>
<th>Amount (M / S&amp;P / F)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nov 2013</td>
<td>B3 AT1</td>
<td>Perpetual</td>
<td>2019</td>
<td>4.750%</td>
<td>SGD500m / A3 / BBB / BBB</td>
</tr>
<tr>
<td>Jul 2013</td>
<td>B3 AT1</td>
<td>Perpetual</td>
<td>2018</td>
<td>4.900%</td>
<td>SGD850m / A3 / BBB / BBB</td>
</tr>
<tr>
<td>Dec 2005</td>
<td>B2 AT1</td>
<td>Perpetual</td>
<td>2016</td>
<td>5.796%</td>
<td>USD500m / A3 / BBB / BBB</td>
</tr>
<tr>
<td>May 2014</td>
<td>B3 T2</td>
<td>12NC6</td>
<td>2020</td>
<td>3.500%</td>
<td>SGD500m / A2 / BBB / A+</td>
</tr>
<tr>
<td>Mar 2014</td>
<td>B3 T2</td>
<td>10.5NC5.5</td>
<td>2019</td>
<td>3.750%</td>
<td>USD800m / A2 / BBB / A+</td>
</tr>
<tr>
<td>Oct 2012</td>
<td>B2 LT2</td>
<td>10NC5</td>
<td>2017</td>
<td>2.875%</td>
<td>USD 500m / Aa3 / A+ / A+</td>
</tr>
<tr>
<td>Jul 2012</td>
<td>B2 LT2</td>
<td>10NC5</td>
<td>2017</td>
<td>3.150%</td>
<td>SGD1,200m / Aa3 / A+ / A+</td>
</tr>
<tr>
<td>Apr 2011</td>
<td>B2 LT2</td>
<td>10NC5</td>
<td>2016</td>
<td>3.450%</td>
<td>SGD1,000m / Aa3 / A+ / A+</td>
</tr>
<tr>
<td>Mar 2010</td>
<td>B2 LT2</td>
<td>10NC5</td>
<td>2015</td>
<td>4.880%</td>
<td>MYR500m / RAM AA1</td>
</tr>
<tr>
<td>Aug 2004</td>
<td>B2 UT2</td>
<td>15NC10</td>
<td>2014</td>
<td>5.375%</td>
<td>USD1,000m / A1 / BBB / A+</td>
</tr>
<tr>
<td>Aug 2004</td>
<td>B2 UT2</td>
<td>15NC10</td>
<td>2014</td>
<td>4.100%</td>
<td>SGD1,000m / A1 / BBB / A+</td>
</tr>
<tr>
<td>Apr 2014</td>
<td>-</td>
<td>1yr FRN</td>
<td>-</td>
<td>3mGBP LIBOR flat</td>
<td>GBP200m / Aa1 / AA- / -</td>
</tr>
<tr>
<td>Nov 2013</td>
<td>-</td>
<td>3yr FRN</td>
<td>-</td>
<td>BBSW 3m +0.65%</td>
<td>AUD300m / Aa1 / AA- / AA-</td>
</tr>
<tr>
<td>Jun 2013</td>
<td>-</td>
<td>5yr FXN</td>
<td>-</td>
<td>2.50%</td>
<td>CNY500m / Aa1 / AA- / AA-</td>
</tr>
<tr>
<td>Mar 2012</td>
<td>-</td>
<td>5yr FXN</td>
<td>-</td>
<td>2.20%</td>
<td>HKD1,000m / Aa1 / AA- / AA-</td>
</tr>
<tr>
<td>Mar 2012</td>
<td>-</td>
<td>5yr FXN</td>
<td>-</td>
<td>2.25%</td>
<td>USD750m / Aa1 / AA- / AA-</td>
</tr>
</tbody>
</table>

Debt Maturity Profile

Note: Maturities shown at first call date rather than ultimate maturity.
FX rates used: USD 1 = SGD 1.25, SGD 1 = MYR 2.57, SGD 1 = HKD 4.97, AUD 1 = SGD 1.17, SGD 1 = CNY 6.21, 1 GBP = SGD 2.13 as at 30 June 2014.

Updated as of 16 August 2014.
Robust Risk Management Framework

Key Risks to Monitor

- Property-related risks
  - Healthy portfolio: low NPL ratio and provisions
  - Majority of housing loans are for owner-occupied properties; comfortable average LTV ratio; delinquency and NPL trends regularly analysed
  - ~50% of property-related corporate loan portfolio are shorter-term development loans with diversified risks; progress, sales and cashflow projections of development projects closely monitored
- Exposure to steepening yield curve: Investment portfolio (mainly liquid asset holdings) monitored daily with monthly reporting to ALCO. Average duration reduced to around 2 years.
- Exposure to declining regional currencies: Ensure loans only granted to borrowers who have foreign currency revenues; otherwise, borrowers are required to hedge

Robust Risk Management Framework

- Operate under strict regulatory regime; prudential standards in line with global best practices
- Strong risk culture; do not believe in achieving short-term gains at the expense of long-term interests
- Focused on businesses which we understand and are well-equipped to manage
- Active board and senior management oversight
- Comprehensive risk management policies, procedures and limits governing credit risks, funding risks, interest rate risks, market risks and operational risks
- Regular stress tests
- Strong internal controls and internal audit process

Common Operating Framework across Region

- Standardized and centralized core banking systems at end-2013
- Common operating framework integrates regional technology, operations and risk infrastructure, ensuring consistent risk management practices across core markets
- Core framework anchored to Singapore head office’s high standards of corporate governance
Managing Risks for Stable Growth

- Prudent approach has been key to delivering sustainable returns over the years

- Institutionalised framework through GRAS
  - Outline risk and return objectives to guide strategic decision making
  - Comprises 6 dimensions and 14 metrics
  - Entails instilling prudent culture as well as establishing policies and guidelines
  - Invest in capabilities, leverage integrated regional network to ensure effective implementation across key markets and businesses

Group Risk Appetite Statement (GRAS)

- Manage concentration risk
- Maintain balance sheet strength
- Optimize capital usage
- Limit earnings volatility
- Build sound reputation and operating environment
- Nurture core talent
Resilient Asset Quality; High Impairment Coverage

Stable NPL Ratio
(In SGD m)

Consistently High Impairment Coverage
(In SGD m)

Individual Impairment
Collective Impairment
Cumulative Impairment / Unsecured NPL (%)
Cumulative Impairment / Total NPL (%)

Substandard NPA
Doubtful NPA
Loss NPA
NPL Ratio
Focusing on Preserving Balance Sheet Strength

- **Building customer franchise**
  - Focusing on target segments within key markets

- **Focusing on stable funding base and optimising funding sources in 1H 2014**
  - Increased commercial paper programme size
  - Issuances: Commercial papers (S$12.1bn) and senior debt (>$3bn) as at June 14
  - Tapped overseas branches for corporate deposits

- **Proactive in capital management**
  - Two issuances of Basel III Tier 2 securities (US$800m and S$500m)

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\* Definition of ‘Customer Deposits’ was expanded to include deposits from financial institutions relating to fund management and operating accounts from 1Q 2014 onwards.
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## Our Growth Drivers

### Realise Full Potential of our Integrated Platform
- Provides us with ability to serve expanding regional needs of our customers
- Improves operational efficiency, enhances risk management, seamless customer experience and faster time to market

### Sharpen Regional Focus
- Global macro environment remains uncertain. The region’s long-term fundamentals continue to remain strong
- Region is our future engine of growth

### Reinforce Fee Income Growth
- Grow fee income to offset competitive pressures on loans and improve return on capital
- Increase client wallet share size by intensifying cross-selling efforts, focusing on service quality and expanding range of products and services

### Long-term Growth Perspective
- Disciplined approach in executing growth strategy, balancing growth with stability
- Focus on risk adjusted returns; ensure balance sheet strength amidst global volatilities
Milestone in Regionalisation

- Harnessing potential of regional network through an integrated platform
  - Completion of platform at end-2013

- Integrated regional platform to bring:
  - Improved productivity and operational efficiency
  - Quicker speed to market
  - Enhanced risk management
  - Consistent and seamless customer experience

- Positions us for next stage of regional business growth

Full Rollout of Integrated Regional Platform

- Completed 3Q 2012
- Completed 4Q 2013
- IT Center of Excellence (Hubbed for scale)
- Completed 3Q 2013
- All other overseas locations (across 14 countries) completed
Robust growth in customer base and cross-border loans over last 3 years

Strengthened in-market teams and capabilities to serve customers’ regionalisation needs

Broadening and deepening product capabilities to drive cross-sell activities and reinforce fee income growth

On track to achieve 50% target for overseas wholesale profit contribution by 2015

Capitalising on Rising Intra-Regional Flows
Making Good Progress in Transaction Banking

- Offer end-to-end solutions ranging from cash, trade and supply chain financing across our network
- Strong increase in trade loans, spurred by intra-regional trades
- Growing corporate deposits by leveraging strong credit ratings and product bundling/solutions
- Industry recognition with 29 awards across the region in 1H2014

![Graphs and charts showing Trade Loans and Deposits breakdowns for Singapore and Overseas, with CAGR and percentage changes indicated.]

Transaction Banking Revenue

- Breakdown by Cash / Trade
  - CAGR +14%
  - 2011: 52%, 2012: 52%, 2013: 52%, 1H13: 47%, 1H14: 51%

- Breakdown by Geography
  - 2012: Overseas 47%, Singapore 53%
  - 2013: Overseas 48%, Singapore 52%
  - 1H14: Overseas 46%, Singapore 54%

- Trade Loans
  - 2011: 49%, 2012: 48%, 2013: 41%, 1H13: 44%, 1H14: 64%
  - CAGR +37%

- Deposits
  - Overseas: 2011: 26%, 2012: 33%, 2013: 30%, 1H13: 30%, 1H14: 33%
  - CAGR +10%

- Industry recognition with 29 awards across the region in 1H2014
From FY2010 to June 2014,
- Grew wealth management AUM from $48bn to $76bn
- Expanded customer base from 100,000 to 183,000
- Increased regional wealth management footprint from 29 to 50 wealth management centres

Bancassurance consistently performing well ahead of joint targets

Growing Regional Wealth Management Profit Contribution

<table>
<thead>
<tr>
<th>Region</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>1H13</th>
<th>1H14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Singapore</td>
<td>74%</td>
<td>74%</td>
<td>73%</td>
<td>70%</td>
<td>69%</td>
<td>70%</td>
</tr>
<tr>
<td>CAGR</td>
<td>26%</td>
<td>26%</td>
<td>27%</td>
<td>30%</td>
<td>31%</td>
<td>30%</td>
</tr>
<tr>
<td>CAGR (23%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Strong Growth for Annual Premium Equivalent (APE)

<table>
<thead>
<tr>
<th>Region</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>1H13</th>
<th>1H14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Singapore</td>
<td>60%</td>
<td>63%</td>
<td>61%</td>
<td>64%</td>
<td>66%</td>
<td>64%</td>
</tr>
<tr>
<td>CAGR</td>
<td>40%</td>
<td>37%</td>
<td>39%</td>
<td>36%</td>
<td>34%</td>
<td>36%</td>
</tr>
<tr>
<td>CAGR (61%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Joint Targets
### Why UOB?

| Stable Management | Proven track record in steering the bank through various global events and crises  
|                  | Stability of management team ensures consistent execution of strategies |
| Integrated Regional Platform | Entrenched local presence. Ground resources and integrated regional network allow us to better address the needs of our targeted segments  
|                  | Truly regional bank with full ownership and control of regional subsidiaries |
| Strong Fundamentals | Sustainable revenue channels as a result of carefully-built core business  
|                  | Strong balance sheet, sound capital & liquidity position and resilient asset quality – testament of solid foundation built on the premise of basic banking |
| Balance Growth with Stability | Continue to diversify portfolio, strengthen balance sheet, manage risks and build core franchise for the future  
|                  | Maintain long-term perspective to growth to ensure sustainable shareholder returns |

*Proven track record of financial conservatism and strong management committed to the long term*
Agenda

1. Overview of UOB Group
2. Macroeconomic Outlook
3. Strong UOB Fundamentals
4. Our Growth Drivers
5. Latest Financials
1H14 Financial Overview

Net Profit After Tax\(^1\) (NPAT) Movement, 1H14 vs 1H13

(SGD m)

1H13 NPAT  1H14 NPAT  1H14 \(\Delta\) vs 1H13

- 1.505  255  +12.9%
- 65  -7.3%
- 132  +29.5%
- 121  +8.5%
- 102  +49.7%
- 56  -44.7%
- 48  -15.6%
- 1,596  +6.1%

Key Indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>1H14</th>
<th>1H13</th>
<th>YoY Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>NIM (%)(^2)</td>
<td>1.72</td>
<td>1.71</td>
<td>0.01% pt</td>
</tr>
<tr>
<td>Non-NII / Income (%)</td>
<td>38.6</td>
<td>40.3</td>
<td>(1.7)% pt</td>
</tr>
<tr>
<td>Expense / Income ratio (%)</td>
<td>42.4</td>
<td>42.9</td>
<td>(0.5)% pt</td>
</tr>
<tr>
<td>ROE (%)(^2,3)</td>
<td>12.4</td>
<td>12.4</td>
<td>-</td>
</tr>
</tbody>
</table>

1. Refer to profit attributable to equity holders of the Bank.
2. Computed on an annualised basis.
3. Calculated based on profit attributable to equity holders of the Bank net of preference share dividends.
2Q14 Financial Overview

Net Profit After Tax\(^1\) (NPAT) Movement, 2Q14 vs 1Q14

(SGD m)

<table>
<thead>
<tr>
<th>1Q14 NPAT</th>
<th>Net Interest Income</th>
<th>Fee income</th>
<th>Other non-interest income</th>
<th>Expenses</th>
<th>Impairment Charges</th>
<th>Share of profit of associates and JVs</th>
<th>Tax &amp; Minority Interests</th>
<th>2Q14 NPAT</th>
</tr>
</thead>
<tbody>
<tr>
<td>788</td>
<td></td>
<td>15</td>
<td>4</td>
<td>122</td>
<td>31</td>
<td>7</td>
<td>17</td>
<td>808</td>
</tr>
<tr>
<td>+1.3%</td>
<td>-0.9%</td>
<td>+53.3%</td>
<td></td>
<td></td>
<td></td>
<td>+4.2%</td>
<td>-4.7%</td>
<td>76.3%</td>
</tr>
</tbody>
</table>

Key Indicators

<table>
<thead>
<tr>
<th></th>
<th>2Q14</th>
<th>1Q14</th>
<th>QoQ Change</th>
<th>2Q13</th>
<th>YoY Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>NIM (%) (^2)</td>
<td>1.71</td>
<td>1.73</td>
<td>(0.02)% pt</td>
<td>1.71</td>
<td>-</td>
</tr>
<tr>
<td>Non-NII / Income (%)</td>
<td>40.3</td>
<td>36.7</td>
<td>3.6% pt</td>
<td>38.2</td>
<td>2.1% pt</td>
</tr>
<tr>
<td>Expense / Income ratio (%)</td>
<td>41.7</td>
<td>43.1</td>
<td>(1.4)% pt</td>
<td>44.2</td>
<td>(2.5)% pt</td>
</tr>
<tr>
<td>ROE (%) (^2,3)</td>
<td>12.5</td>
<td>12.4</td>
<td>0.1% pt</td>
<td>13.1</td>
<td>(0.6)% pt</td>
</tr>
</tbody>
</table>

1. Refer to profit attributable to equity holders of the Bank.
2. Computed on an annualised basis.
3. Calculated based on profit attributable to equity holders of the Bank net of preference share dividends.
Record NII driven by Healthy Loans Growth

**Net Interest Income (NII) and Margin**

<table>
<thead>
<tr>
<th>Year</th>
<th>NII from Loans (SGD m)</th>
<th>NII from Interbank &amp; Securities (SGD m)</th>
<th>Loan Margin (%)</th>
<th>Interbank &amp; Securities Margin (%)</th>
<th>Net Interest Margin (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>3,044</td>
<td>634</td>
<td>1.92%</td>
<td>0.97%</td>
<td>2.41%</td>
</tr>
<tr>
<td>2012</td>
<td>3,347</td>
<td>570</td>
<td>1.87%</td>
<td>0.91%</td>
<td>2.29%</td>
</tr>
<tr>
<td>2013</td>
<td>3,582</td>
<td>538</td>
<td>1.72%</td>
<td>0.76%</td>
<td>2.12%</td>
</tr>
<tr>
<td>1H14</td>
<td>1,911</td>
<td>323</td>
<td>1.72%</td>
<td>0.87%</td>
<td>2.06%</td>
</tr>
<tr>
<td>2Q13</td>
<td>1,016</td>
<td>130</td>
<td>1.71%</td>
<td>0.73%</td>
<td>2.13%</td>
</tr>
<tr>
<td>3Q13</td>
<td>1,046</td>
<td>138</td>
<td>1.71%</td>
<td>0.77%</td>
<td>2.10%</td>
</tr>
<tr>
<td>4Q13</td>
<td>1,095</td>
<td>152</td>
<td>1.74%</td>
<td>0.85%</td>
<td>2.10%</td>
</tr>
<tr>
<td>1Q14</td>
<td>1,110</td>
<td>167</td>
<td>1.73%</td>
<td>0.90%</td>
<td>2.06%</td>
</tr>
<tr>
<td>2Q14</td>
<td>1,124</td>
<td>158</td>
<td>1.71%</td>
<td>0.84%</td>
<td>2.05%</td>
</tr>
</tbody>
</table>

Note: Definition of ‘Customer Deposits’ was expanded to include deposits from financial institutions relating to fund management and operating accounts from 1Q 2014 onwards. The interest relating to these deposits and the corresponding impact to loan margin and interbank/securities margin for FY2013 was restated accordingly.
### Non-Interest Income Lifted by Trading & Invtn Income

#### Non-Interest Income (Non-NII) and Non-NII Ratio

<table>
<thead>
<tr>
<th>Year</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>1H14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fee Income (SGD m)</td>
<td>1,318</td>
<td>1,508</td>
<td>1,731</td>
<td>1,402</td>
</tr>
<tr>
<td>Other Non-Interest Income (SGD m)</td>
<td>703</td>
<td>1,070</td>
<td>870</td>
<td>578</td>
</tr>
<tr>
<td>Non-NII / Total Income (%)</td>
<td>23.1%</td>
<td>23.2%</td>
<td>25.8%</td>
<td>22.7%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2Q13</th>
<th>3Q13</th>
<th>4Q13</th>
<th>1Q14</th>
<th>2Q14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Interest Income Lifted by Trading &amp; Invtn Income</td>
<td>628</td>
<td>618</td>
<td>647</td>
<td>642</td>
<td>760</td>
</tr>
<tr>
<td>Fee Income (SGD m)</td>
<td>436</td>
<td>407</td>
<td>435</td>
<td>414</td>
<td>410</td>
</tr>
<tr>
<td>Other Non-Interest Income (SGD m)</td>
<td>191</td>
<td>211</td>
<td>212</td>
<td>228</td>
<td>350</td>
</tr>
<tr>
<td>Fee Income / Total Income (%)</td>
<td>21.8%</td>
<td>23.6%</td>
<td>25.0%</td>
<td>23.6%</td>
<td>21.8%</td>
</tr>
<tr>
<td>Non-NII / Total Income (%)</td>
<td>35.5%</td>
<td>39.7%</td>
<td>38.7%</td>
<td>38.6%</td>
<td>40.3%</td>
</tr>
</tbody>
</table>
Fee Income Stable Quarter-on-Quarter

Breakdown of Fee Income

(SGD m)

- Credit card
- Fund mgmt
- Investment-related
- Loan-related
- Service charges
- Trade-related
- Others

<table>
<thead>
<tr>
<th>Year</th>
<th>2Q13</th>
<th>3Q13</th>
<th>4Q13</th>
<th>1Q14</th>
<th>2Q14</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>231</td>
<td>370</td>
<td>98</td>
<td>231</td>
<td>249</td>
</tr>
<tr>
<td>2012</td>
<td>66</td>
<td>107</td>
<td>100</td>
<td>256</td>
<td>240</td>
</tr>
<tr>
<td>2013</td>
<td>442</td>
<td>200</td>
<td>321</td>
<td>268</td>
<td>389</td>
</tr>
<tr>
<td>1H14</td>
<td>824</td>
<td>420</td>
<td>172</td>
<td>134</td>
<td>111</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Quarter</th>
<th>(SGD m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2Q13</td>
<td>436</td>
</tr>
<tr>
<td>3Q13</td>
<td>407</td>
</tr>
<tr>
<td>4Q13</td>
<td>435</td>
</tr>
<tr>
<td>1Q14</td>
<td>414</td>
</tr>
<tr>
<td>2Q14</td>
<td>410</td>
</tr>
</tbody>
</table>
Disciplined Cost Management

Operating Expenses and Expense / Income Ratio

<table>
<thead>
<tr>
<th>Year</th>
<th>Staff Costs (SGD m)</th>
<th>Other Operating Expenses (SGD m)</th>
<th>Expense / Income Ratio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>1,403</td>
<td>1,047</td>
<td>43.0%</td>
</tr>
<tr>
<td>2012</td>
<td>1,597</td>
<td>1,151</td>
<td>42.3%</td>
</tr>
<tr>
<td>2013</td>
<td>1,712</td>
<td>1,186</td>
<td>43.1%</td>
</tr>
<tr>
<td>1H14</td>
<td>1,542</td>
<td>631</td>
<td>42.4%</td>
</tr>
<tr>
<td>2Q13</td>
<td>726</td>
<td>423</td>
<td>44.2%</td>
</tr>
<tr>
<td>3Q13</td>
<td>715</td>
<td>427</td>
<td>43.0%</td>
</tr>
<tr>
<td>4Q13</td>
<td>762</td>
<td>447</td>
<td>43.8%</td>
</tr>
<tr>
<td>1Q14</td>
<td>755</td>
<td>454</td>
<td>43.1%</td>
</tr>
<tr>
<td>2Q14</td>
<td>787</td>
<td>456</td>
<td>41.7%</td>
</tr>
</tbody>
</table>

Note: Core income excluded gain on UOB Life and UIC for 2010
Total Loans Charge-off Rate Relatively Stable

**Impairment Charges on Loans**

- **Individual Impairment Charges on Loans (SGD m)**
  - 2011: 163
  - 2012: 454
  - 2013: 136
  - 1H14: 91

- **Individual Impairment Charges on Loans / Average Gross Customer Loans (basis points) * **
  - 30bps, 30bps, 30bps, 30bps, 30bps
  - 12bps, 8bps, 9bps

- **Total Impairment Charges on Loans / Average Gross Customer Loans (basis points) * **
  - 30bps, 30bps, 30bps, 32bps, 32bps
  - 10bps, 2bps, 11bps, (0)bps, 19bps

* On annualised basis
# Healthy Loans Growth

## Gross Loans

<table>
<thead>
<tr>
<th>Gross Loans</th>
<th>2Q14 SGD b</th>
<th>1Q14 SGD b</th>
<th>QoQ +/- (%)</th>
<th>2Q13 SGD b</th>
<th>YoY +/- (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Singapore</td>
<td>126.1</td>
<td>123.1</td>
<td>2.5</td>
<td>113.7</td>
<td>10.9</td>
</tr>
<tr>
<td>Regional</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Malaysia</td>
<td>26.5</td>
<td>25.9</td>
<td>2.6</td>
<td>24.4</td>
<td>8.6</td>
</tr>
<tr>
<td>Thailand</td>
<td>10.0</td>
<td>9.9</td>
<td>0.6</td>
<td>9.2</td>
<td>9.3</td>
</tr>
<tr>
<td>Indonesia</td>
<td>5.7</td>
<td>5.9</td>
<td>(3.3)</td>
<td>5.9</td>
<td>(2.6)</td>
</tr>
<tr>
<td>Greater China</td>
<td>14.4</td>
<td>13.3</td>
<td>7.8</td>
<td>10.0</td>
<td>44.5</td>
</tr>
<tr>
<td>Others</td>
<td>10.4</td>
<td>10.4</td>
<td>(0.7)</td>
<td>9.7</td>
<td>6.4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>193.1</strong></td>
<td><strong>188.6</strong></td>
<td><strong>2.4</strong></td>
<td><strong>172.9</strong></td>
<td><strong>11.7</strong></td>
</tr>
</tbody>
</table>

## USD Loans

| USD Loans | 30.3 | 29.0 | 4.4 | 22.5 | 34.7 |

## Diagrams

1H13 and 1H14 pie charts showing loan growth percentages for different regions.
Stable Liquidity Position

Customer Loans, Deposits and L/D Ratio

Note: Definition of ‘Customer Deposits’ was expanded to include deposits from financial institutions relating to fund management and operating accounts from 1Q 2014 onwards. Prior quarters of 2013 have been restated accordingly.
Robust Credit Quality; NPL Ratio Stable at 1.2%
Strong Impairment Coverage

Consistently High Impairment Coverage

<table>
<thead>
<tr>
<th>Date</th>
<th>Collective Impairment ($m)</th>
<th>Individual Impairment ($m)</th>
<th>Cumulative Impairment / Total NPL (%)</th>
<th>Cumulative Impairment / Unsecured NPL (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jun-13</td>
<td>2,145</td>
<td>865</td>
<td>139.4%</td>
<td>-</td>
</tr>
<tr>
<td>Sep-13</td>
<td>2,244</td>
<td>806</td>
<td>144.8%</td>
<td>-</td>
</tr>
<tr>
<td>Dec-13</td>
<td>2,323</td>
<td>798</td>
<td>150.5%</td>
<td>-</td>
</tr>
<tr>
<td>Mar-14</td>
<td>2,548</td>
<td>779</td>
<td>160.2%</td>
<td>-</td>
</tr>
<tr>
<td>Jun-14</td>
<td>2,611</td>
<td>834</td>
<td>149.2%</td>
<td>-</td>
</tr>
</tbody>
</table>

- **Collective Impairment ($m)**
- **Individual Impairment ($m)**
- **Cumulative Impairment / Total NPL (%)**
- **Cumulative Impairment / Unsecured NPL (%)**
Capital Ratios Remained Strong

<table>
<thead>
<tr>
<th></th>
<th>Jun-13</th>
<th>Sep-13</th>
<th>Dec-13</th>
<th>Mar-14</th>
<th>Jun-14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total CAR</td>
<td>13.6%</td>
<td>12.9%</td>
<td>13.2%</td>
<td>14.0%</td>
<td>13.9%</td>
</tr>
<tr>
<td>Tier 2 CAR</td>
<td>3.6%</td>
<td>3.4%</td>
<td>3.4%</td>
<td>3.7%</td>
<td>3.9%</td>
</tr>
<tr>
<td>Tier 1 / CET1 CAR</td>
<td>17.2%</td>
<td>16.3%</td>
<td>16.6%</td>
<td>17.7%</td>
<td>17.8%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SGD b</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Common Equity Tier 1 Capital</td>
<td>21</td>
<td>21</td>
<td>22</td>
<td>23</td>
<td>23</td>
</tr>
<tr>
<td>Tier 1 Capital</td>
<td>21</td>
<td>21</td>
<td>22</td>
<td>23</td>
<td>23</td>
</tr>
<tr>
<td>Total Capital</td>
<td>26</td>
<td>26</td>
<td>27</td>
<td>29</td>
<td>30</td>
</tr>
<tr>
<td>RWA</td>
<td>152</td>
<td>159</td>
<td>165</td>
<td>161</td>
<td>168</td>
</tr>
</tbody>
</table>
Stable Dividend Payout

<table>
<thead>
<tr>
<th>Year</th>
<th>Payout amount (SGD m)</th>
<th>Payout ratio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>944</td>
<td>41</td>
</tr>
<tr>
<td>2012</td>
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